

REMARKS

The rejections under 35 U.S.C. § 103(a) of:

Claims 1-5 and 7-11 over JP 09-194811 (JP '811) in view of U.S. 4,855,170 (Darvell et al) and *Expancel Microspheres* (Expancel), and

Claim 6 over JP '811 in view of Darvell et al and Expancel, and further in view of U.S. 5,240,989 (Bernard et al),

are respectfully traversed.

As recited in above-amended Claim 1, the invention is a laminate comprising a peelable top layer, a substrate, and a bonding layer between said top layer and said substrate, wherein at least one of said substrate and said top layer is porous and an adhesive for forming said bonding layer comprises the following components:

(A) an aqueous dispersion containing a polymer, which has properties that a dried film of said aqueous dispersion has a tensile strength of 1 to 28 MPa and a percentage elongation of 100 to 2000%; and

(B) a water-based adhesive composition comprising microspheres with thermal expansion capability, each of which comprises a polymer shell encapsulating a gas,

wherein said laminate has a property that upon heating, said microspheres increase in volume, thereby facilitating peelability of said top layer from said laminate.

Such laminate provided with a peelable top layer can be used as building materials that have the capability of surviving severe use conditions, yet can be easily recycled after use by heating under the defined conditions of Claims 12-15.

Prior to addressing the above-applied prior art, the Examiner has raised an issue of claim interpretation. The previously-recited "whereby . . ." limitation was intended to define a property of the claimed laminate, and thus is not a process limitation. In other words, an effect that occurs upon the future action on a product is a property of that product, and is thus

a valid claim limitation. As an example, consider the following limitation: "whereby, when said liquid is heated, it boils at 100°C." While the liquid will not boil until it is heated to 100°C, it is clear that the above-quoted phrase limits the liquid to one having a boiling point of 100°C. The above-discussed amendment to Claim 1 has been made to clarify this point.

JP '811 relates to a laminate, such as of wood and PVC sheets, having sufficiently satisfactory high levels of dry and water resistant adhesion properties, improved heat resistant creep properties and excellent workability. The adhesive for such laminates comprises (A) an ethylene-vinyl acetate-polyfunctional monomer copolymer aqueous emulsion and (B) an anionic polyurethane aqueous emulsion.

As admitted by the Examiner, JP '811 fails to explicitly disclose the recited tensile strength and percent elongation, the compositional range of the claimed components and, most importantly, the presence of heat expandable microspheres, i.e., claim component (B). He urges, however, that the claim limitations with regard to component (A) are inherent in JP '811, and that it would have been obvious, in view of the disclosure in Darvell et al to incorporate its microspheres into the composition of JP '811 in order for the laminate to be peelable.

It is submitted that such reasoning is not supportable, for the following reasons:

1. Specifically, with regard to the recited elongation value, not disclosed by JP '811, as well as the recited tensile strength of the adhesive, these values are not necessarily inherent therein, and unobvious result-effectiveness is present due to these claimed limitations, rebutting any possible *prima facie* case obviousness. Thus, the present claims are patentable under the rationale of *In re Antonie*, 195 USPQ 6, 8-9 (CCPA 1977) (**copy enclosed**) (exceptions to rule that optimization of a result-effective variable is obvious, such as where the results of optimizing the variable are unexpectedly good or where the variable was not

recognized to be result effective). Applicants are entitled to prevail under either of the above exceptions, for reasons now discussed.

Comparative Examples 3 and 4, in Table 2 at page 36 of the specification (**copy enclosed**), demonstrates that if the tensile strength or the percentage elongation of the adhesive is not within the claimed range, peeling of the metal top layer is poor as compared to the results of Examples 6-11, according to the invention. Such **result-effectiveness** manifestly could not have been foreseen, the ethylene-vinyl acetate copolymer of JP '811 not inherently possessing the claimed characteristics. Note *Ex parte Levy*, 17 USPQ2d 1461 (Bd. Pat. App. & Inter. 1990) (**copy enclosed**).

As described at page 6 of the present specification, the recited ranges of the tensile strength and the elongation value are determined to **maintain a sufficient bonding strength under severe use conditions of the laminate, and allow the microspheres to maximally exhibit expansion performance at the time of removing the top layer from the laminate**. That is, when the tensile strength is less than 1 MPa, and/or the percentage elongation is more than 2000%, it becomes difficult to maintain sufficient bonding performance in the laminate. On the other hand, when the tensile strength is more than 28 MPa, and/or the percentage elongation is less than 100%, they lead to a reduction in expansion performance of the microspheres in the bonding layer.

Thus, the dramatic increase in volume of the microspheres obtained by heating easily removes the top layer from the laminate is not disclosed or suggested by the cited references. The recited ranges of tensile strength and percentage elongation determined according to the invention are entirely different from the ranges simply determined depending on the desired end product and parameters of the system.

2. Further, and most significantly, Darvell et al is not properly combinable with JP '811, and indeed, Darvell et al teaches away from the objective of JP '811, as well as being directed to a different type of adhesive.

More particularly, the objective of JP '811 is to obtain adhesive compositions having sufficiently satisfactorily high levels of dry and water-resistant adhesion properties, improved heat resistant creep properties, and excellent workability. This disclosure is not directed to a peelable laminate, but, contrariwise, is directed to a laminate whose layers are **permanently** affixed to each other, i.e., not being peelable. One skilled in the art thus manifestly would have no motivation or incentive, in view of the disclosure of JP '811 to, contrariwise, make its laminate peelable when the objective of the reference is permanent adhesion. One skilled in the art as clearly would be dissuaded from so doing. Note *In re Lee*, 61 USPQ2d 1430 (Fed. Cir. 2002) (**copy enclosed**).

Moreover, and in any event, even if Darvell et al were combined with JP '811, Applicants' discovery is not made obvious thereby. Thus, Darvell et al is directed to a normally tacky and pressure-sensitive adhesive containing hollow thermoplastic polymeric microspheres. Such pressure-sensitive adhesive of Darvell et al, being itself removable and repositionable, is not an adhesive of the class and type as herein recited, which adhesive, in the absence of the claimed microspheres, evinces excellent and permanent adhesion. It is due to the presence of such microspheres, however, that the laminate becomes peelable. The pressure-sensitive adhesive of Darvell et al is not of the type as claimed, they being "rubber" or "acrylate" adhesives, as note column 3, lines 56-65 of Darvell et al.

Certainly, the artisan would have no motivation or incentive to combine Darvell et al with JP '811, each relating to a different type of adhesive, the objectives of the references also being distinctly different. Applicants, on the other hand, have shown unobviously superior properties and results due to the use of a polymer as specifically claimed, such clearly not

being obvious. Note the results of the Examples and Comparative Examples in Tables 1 and 3 at pages 35 and 37, respectively (**copy enclosed**).

Bernard et al is relied on for a disclosure of anionic sulfonate dispersions in a removable adhesive. However, Bernard et al does not cure the fundamental deficiencies of the other references, for reasons as pointed out and discussed above. In any event, the referred to section of this patent only relates to emulsifiers, not an anionic polyurethane dispersion with sulfonate groups, as called for by Claim 6.

For all the above reasons, it is respectfully requested that the rejections be withdrawn.

All of the presently pending and active claims in this application are now believed to be in immediate condition for allowance. The Examiner is respectfully requested to rejoin the nonelected method claims, and in the absence of further grounds of rejection, pass this application to issue with all pending claims.

Respectfully submitted,

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Table 1

		EXAMPLE					COMPARATIVE EXAMPLE	
		1	2	3	4	5	1	2
Ethylene-Vinyl Acetate Copolymer (EVAc) Emulsion (parts by weight)	SF467	100	---	---	80	---	80	---
	EVA(1)	---	100	---	---	80	---	100
	EVA(2)	---	---	100	---	---	---	---
Anionic Polyurethane Dispersion (parts by weight)	S-PU	---	---	---	20	20	20	---
	EX053	30	20	30	40	40	---	---
Microspheres with Thermal- Expansion Capability (parts by weight)	Tensile strength (MPa)	4.0	9.8	9.5	6.8	12.6	6.8	9.8
	Percentage Elongation (%)	770	700	710	990	900	990	700
Dipping Test		Δ	○	Δ	○	○	○	○
Heat Creep Test (mm/1h)	60°C	30	20	22	0	0	0	13
	70°C	100<	100<	100<	0	0	2	79
Peeling Test (Far Infrared Irradiation)	120°C	Δ	Δ	Δ	Δ	Δ	x x	x x
	150°C	○	⊙	⊙	○	⊙	x x	x x
	200°C	○	⊙	⊙	○	⊙	x x	x x
Peeling Test (Ultraviolet Irradiation)		○	⊙	⊙	○	⊙	x x	x x
Peeling Test (Hot Air)	150°C x 20 min	Δ	Δ	Δ	Δ	Δ	x x	x x
	150°C x 24 hours	Δ	Δ	Δ	Δ	Δ	x x	Δ

Table 2

		EXAMPLE										COMPARATIVE EXAMPLE	
		6	7	8	9	10	11	3	4				
Ethylene-Vinyl Acetate Copolymer (EVAc) Emulsion (parts by weight)	SF400	100	100	---	---	85	---	---	---				
	OM4000	---	---	100	---	---	---	---	---				
	EVA(1)	---	---	---	100	---	90	---	---				
	OM3100	---	---	---	---	---	---	100	---				
	SF480	---	---	---	---	---	---	---	100				
Anionic Polyurethane Dispersion (parts by weight)	S-PU	---	---	---	---	15	10	---	---				
Microspheres with Thermal- Expansion Capability (parts by weight)	EX053	30	60	30	30	30	30	60	60				
Dried Film of EVAc Emulsion	Tensile strength (MPa)	7.4	7.4	4.0	9.8	10.7	11.8	1.5	29.0				
	Percentage Elongation (%)	520	520	1000	700	540	850	3000<	0				
Bonding Strength (Room Temperature) (N/cm ²)		74	70	75	74	79	81	60	70				
Bonding Strength (Wet Heat Condition) (N/cm ²)		60	57	60	65	67	75	49	64				
Peeling Test (Far Infrared Irradiation)	120°C	Δ	Δ	Δ	Δ	Δ	Δ	x	x x				
	150°C	⊙	⊙	⊙	⊙	⊙	⊙	Δ	x x				
	180°C	⊙	⊙	⊙	⊙	⊙	⊙	Δ	x x				
Peeling Test (Ultraviolet Irradiation)		150°C	⊙	⊙	⊙	⊙	⊙	Δ	x x				
Peeling Test (Hot Air)	150°C x 20 min	Δ	Δ	Δ	Δ	Δ	Δ	x x	x x				
	150°C x 24 hours	Δ	Δ	Δ	Δ	Δ	Δ	x x	x x				

Table 3

		EXAMPLE								COMPARATIVE EXAMPLE	
		12	13	14	15	16	17	5	6		
Ethylene-Vinyl Acetate Copolymer (EVAc) Emulsion (parts by weight)	SF400	100	100	---	---	85	---	---	---	---	---
	OM4000	---	---	100	---	---	---	---	---	---	---
	EVA(1)	---	---	---	100	---	90	---	---	---	---
	OM3100	---	---	---	---	---	---	100	---	---	---
	SF480	---	---	---	---	---	---	---	---	---	---
Anionic Polyurethane Dispersion (parts by weight)	S-PU	---	---	---	---	15	10	---	---	---	---
Microspheres with Thermal- Expansion Capability (parts by weight)	EX053	30	60	30	30	30	30	60	60	60	60
Dried Film of EVAc Emulsion	Tensile strength (MPa)	7.4	7.4	4.0	9.8	10.7	11.8	1.5	29.0	1.5	29.0
	Percentage Elongation (%)	520	520	1000	700	540	850	3000	<	0	0
Bonding Strength (Room Temperature) (N/mm ²)		1.0	1.0	1.1	1.2	1.3	1.4	1.0	1.2	1.0	1.2
Bonding Strength (Wet Heat Condition) (N/mm ²)		0.2	0.2	0.2	0.4	0.6	0.7	0.1	0.3	0.1	0.3
Peeling Test (Far Infrared Irradiation)		⊙	⊙	⊙	⊙	⊙	⊙	Δ	×	×	×
150°C		⊙	⊙	⊙	⊙	⊙	⊙	Δ	×	×	×

In re Antonie, 195 USPQ 6 (CCPA 1977)

In re Antonie

**(CCPA)
195 USPQ 6**

Decided Aug. 18, 1977

No. 76-681

U.S. Court of Customs and Patent Appeals

Headnotes

PATENTS

1. Patentability -- Invention -- In general (§ 51.501)

Court of Customs and Patent Appeals must first delineate invention as whole in determining whether invention as whole would have been obvious under 35 U.S.C. 103; it looks not only to subject matter that is literally recited in claim in question but also to those properties of subject matter that are inherent in subject matter and are disclosed in specification, in delineating invention as whole; just as chemical and its properties are looked to when obviousness of composition of matter claim is examined for obviousness, invention as whole, not some part of it, must be obvious under Section 103.

2. Patentability -- Invention -- In general (§ 51.501)

Controlling question in determining obviousness is simply whether differences between prior art and invention as whole are such that invention as whole would have been obvious.

3. Patentability -- Invention -- In general (§ 51.501)

Standard of 35 U.S.C. 103 is not that it would be obvious for one of ordinary skill in art to try invention; disregard for unobviousness of results of "obvious to try" experiments disregards "invention as a whole" concept of Section 103, and overemphasis on routine nature of data gathering required to arrive at applicant's discovery, after its existence became expected, overlooks last sentence of Section 103.

4. Patentability -- Change -- In general (§ 51.251)

Patentability -- Invention -- In general (§ 51.501)

Exception to rule that discovery of optimum value of variable in known process is normally obvious occurs when parameter optimized was not recognized to be result effective variable.

Particular patents -- Contactor Apparatus

Antonie, Rotating Biological Contactor Apparatus, rejection of claims 1-3 reversed.

Case History and Disposition:

Page 6

Appeal from Patent and Trademark Office Board of Appeals.

Application for patent of Ronald L. Antonie, Serial No. 331,796, filed Feb. 12, 1973. From decision rejecting claims 1-3, applicant appeals. Reversed; Miller, Judge, concurring in result; Maletz, Judge, with whom Rich, Judge, joins, dissenting with opinion.

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Attorneys:

Arthur H. Seidel, Thomas W. Ehrmann, and Quarles & Brady, all of Milwaukee, Wis., for appellant.

Joseph F. Nakamura (R. D. Edmonds, of counsel) for Commissioner of Patents and Trademarks.

Judge:

Before Markey, Chief Judge, Rich, Baldwin, and Miller, Associate Judges, and Herbert N. Maletz, * Associate Judge, United States Customs Court.

Opinion Text

Opinion By:

Baldwin, Judge.

This is an appeal from a decision of the Patent and Trademark Office (PTO) Board of Appeals (board) affirming the rejection of claims 1, 2 and 3 of an application for "Rotating Biological Contactor Apparatus" ¹ as obvious under 35 USC 103 in view of El-Naggar. ² We reverse.

The Invention

Appellant claims a wastewater treatment device in which wastewater is continuously passed through a tank. Semi-immersed contactors (disks) are continuously rotated to aerate their immersed portions and thereby to aerate both microorganisms that grow on the contactors and the wastewater itself. For this discussion, several variables are important in this device. "Throughput" is the volume of wastewater per unit time (gal./day) which the device must treat. "Contactor area" is the total area of the contactors which is exposed to the wastewater as the contactors are rotated (sq. ft.). "Tank volume" is the actual volume of liquid in the tanks in which the contactors rotate (gal.). The ratio of throughput to contactor area (gal./day/sq. ft.) is called the "hydraulic loading." Two concepts of effectiveness of the equipment are important in this discussion. The primary prior art reference uses the term "efficiency" to denote the percent impurity reduction which a given set-up of the device achieves and we shall so use the term. Appellant uses the term "maximum treatment capacity" to denote when a *unit of contactor area* is providing maximum "efficiency" for a given "throughput" or maximum "throughput" for a given "efficiency." It is essential to understand the distinction between "efficiency," a matter of ultimate effectiveness independent of the efficiency of the equipment, and "treatment capacity," a matter of the efficiency or effectiveness of a unit of contactor area. The latter is more properly associated with the normal use of the term "efficiency" denoting maximum result from a limited resource.

Appellant's claimed device has a ratio of tank volume to contactor area of 0.12 gal./sq. ft. ³ Appellant maintains that this ratio is the most desirable or optimum for all set-ups of the device in the sense that using a lower value gives lower "treatment capacity" and using a greater value gives no increase in "treatment capacity," merely increasing costs. Thus, the value is optimum in that it maximizes "treatment capacity" so that the effectiveness of a given contactor is maximized.

The Prior Art

El-Naggar teaches the basic structure of the device claimed by appellant but is silent regarding quantitative design parameters other than to give data on a single example, which data was apparently complete *except for any discussion of "tank volume."* El-Naggar stated the "efficiency" (obviously referring to the purity of the output) could be increased to 95% by increasing the area of the contactor.

The Rejection

The examiner rejected the claims as obvious under 35 USC 103, noting that the basic device in question is old as taught by El-Naggar. While the ratio of tank volume to contactor area of 0.12 gal./sq. ft. is not disclosed in El-Naggar, the examiner reasoned that the disclosure of El-Naggar would make a device with that optimum value obvious. The examiner noted that El-Naggar suggests increasing the "efficiency" (degree of purification) of his device by increasing the contactor area while apparently keeping the "throughput" constant, that is, reducing the "hydraulic loading." The examiner then *assumed* that El-Naggar teaches keeping the

tank volume constant while increasing the contactor area. Thus, the examiner argued that the idea of increasing tank volume to surface area to increase efficiency is taught and that working out the value for optimum efficiency is mere mechanical experimentation. The board accepted the examiner's reasoning.

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Opinion

[1] In determining whether the invention as a whole would have been obvious under 35 USC 103, we must first delineate the invention as a whole. In delineating the invention as a whole, we look not only to the subject matter which is literally recited in the claim in question (the ratio value) but also to those properties of the subject matter which are inherent in the subject matter *and* are disclosed in the specification. In *re Davies*, 475 F.2d 667, 177 USPQ 381 (CCPA 1973). In this case, the invention as a whole is the ratio value of 0.12 *and* its inherent and disclosed property. That property is that the described devices designed with the ratio will maximize treatment capacity regardless of the values of the other variables in the devices. Just as we look to a chemical and its properties when we examine the obviousness of a composition of matter claim, it is this invention *as a whole*, and not some part of it, which must be obvious under 35 USC 103. Cf. In *re Papesch*, 50 CCPA 1276, 315 F.2d 381, 137 USPQ 43 (1963).

[2] The controlling question is simply whether the differences (namely the value of 0.12 and its property) between the prior art and appellant's invention as a whole are such that appellant's invention as a whole would have been obvious. The answer is no. It is impossible to recognize, from the experiment taught by El-Naggar, that "treatment capacity" is a function of "tank volume" or the tank volume-to-contactor area ratio. Recognition of this functionality is essential to the obviousness of conducting experiments to determine the value of the "tank volume" ratio which will maximize treatment capacity. Such functionality can *only be determined* from data representing either efficiency at varying tank volume, fixed throughput, and fixed contactor area or throughput at varying tank volume, fixed efficiency, and fixed contactor area. Each of these experiments represents treatment capacity with fixed contactor area but varying tank volume. This sort of experiment would not be suggested by the teachings of El-Naggar since he was not trying to maximize or control "treatment capacity." The experiments suggested by El-Naggar do not reveal the property which applicant has discovered, and the PTO has provided us with no other basis for the obviousness of the necessary experiments.

[3] The PTO and the minority appear to argue that it would always be *obvious* for one of ordinary skill in the art *to try* varying *every* parameter of a system in order to optimize the effectiveness of the system even if there is no evidence in the record that the prior art recognized that particular parameter affected the result. ⁴ As we have said many times, *obvious to try* is not the standard of 35 USC 103. In *re Tomlinson*, 53 CCPA 1421, 363 F.2d 928, 150 USPQ 623 (1966). Disregard for the unobviousness of the results of "obvious to try" experiments disregards the "invention as a whole" concept of §103. In *re Dien*, 54 CCPA 1027, 371 F.2d 886, 152 USPQ 550 (1967) and In *re Wiggins*, 55 CCPA 1356, 397 F.2d 356, 158 USPQ 199 (1968), and overemphasis on the routine nature of the data gathering required to arrive at appellant's discovery, after its existence became expected, overlooks the last sentence of §103. In *re Saether*, 492 F.2d 849, 181 USPQ 36 (CCPA 1974).

[4]In *In re Aller*, 42 CCPA 824, 220 F.2d 454, 105 USPQ 233 (1955), the court set out the rule that the discovery of an optimum value of a variable in a known process is normally obvious. We have found exceptions to this rule in cases where the results of optimizing a variable, which was known to be result effective, were unexpectedly good. In

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re *Waymouth*, 499 F.2d 1273, 182 USPQ 290 (CCPA 1974); *In re Saether*, supra. This case, in which the parameter optimized was not recognized to be a result-effective variable, is another exception. The decision of the board is reversed.

Footnotes

Footnote 1.

Serial No. 331,796, filed February 12, 1973.

Footnote 2. "Method of Treatment of Sewage by Bio-Oxidation and Apparatus Therefor," U.S. Patent No. 3,335,081, issued August 8, 1967.

Footnote 3. Claims 1 and 2 recite "at least about 0.12" while claim 3 recites "about 0.12."

Footnote 4. The precise nature of the El-Naggar experiment and the nature of the data which would result are rendered hopelessly speculative by El-Naggar's total failure to discuss the critical matter of what is done with the volume of the tank. The PTO appears to assume, as a necessary element of its conclusion, that appellant's ratio is the inevitable result of El-Naggar experiment, and that the tank volume is fixed, apparently because El-Naggar does not suggest changing the tank as additional contactor area is supplied. Even if the same tank were used, the actual liquid volume of the tank could change significantly if 1) the tank has a level control, 2) the tank is not extremely large in comparison to the contactors and 3) the volume-to-area ratio of the contactors themselves is significant. Since these assumptions are not unreasonable, there is serious doubt as to the constant volume of the tank.

Whether one would inevitably arrive at the ratio value of 0.12 or above depends on facts which must be read into El-Naggar, (e.g., the volume of the tank) and on assumptions about the kind of motivation (e.g., the degree of "efficiency" which would be sought). All of this involves, at least on this record, mere speculation. Assuming, as the examiner has, that the tank volume is fixed and the natural motivation is to maximize efficiency, if El-Naggar's equipment has a tank volume to contactor area ratio of less than 0.12, and the resulting efficiency is found wanting, increasing the contactor area to increase "efficiency" will lead away from the claimed ratio.

Dissenting Opinion Text

Dissent By:

Maletz, Judge, with whom Rich, Judge, joins, dissenting.

With all due respect, I cannot agree with the majority's interpretation of the El-Naggar patent.

El-Naggar discloses the same wastewater treatment apparatus as claimed, except for the specific volume-to-surface ratio of .12 gallons per square foot as recited in the claims. However, El-Naggar generally discloses varying the number of disks (column 3, lines 31-35), the number of concentric cylinders (column 4, lines 27-30), or the length of the cylinders (column 4, lines 61-62) in his apparatus in order to optimize results. Given the basic apparatus of El-Naggar and the concept of varying the number of disks in a tank in order to optimize impurity removal, I believe that it would have been well within the capabilities of the chemical engineer of ordinary skill to determine empirically, by routine experimentation, the optimum design ratio which appellant has determined and recited in his claims. That is, El-Naggar set the way, and appellant's work was what any routineer would have accomplished in following the patent teachings.

Appellant urges that the results which he determined empirically by plotting the effect of volume-to-surface ratio on impurity removal, including the specific, optimum design ratio of .12 gallons per square foot, could not have been predicted from El-Naggar. However, obviousness under 35 USC 103 does not require absolute predictability, *In re Kronig*, 539 F.2d 1300, 190 USPQ 425 (CCPA 1976), and it is sufficient here that El-Naggar clearly led the way for the routineer to arrive at the claimed apparatus.

I am in substantial agreement with the board's analysis of this case, and I would affirm the board's decision.

Footnote * Judge of the United States Customs Court sitting by designation pursuant to 28 U.S.C. 293(d).

- End of Case -

Ex parte Levy (BdPatApp&Int) 17 USPQ2d 1461

Ex parte Levy

**U.S. Patent and Trademark Office, Board of Patent Appeals
and Interferences
17 USPQ2d 1461**

**Decided October 16, 1990
No. 90-1864**

Headnotes

PATENTS

1. Patentability/Validity - Anticipation - Identity of elements (§ 115.0704)

Factual determination of anticipation requires disclosure in single reference of every element of claimed invention, and examiner must identify wherein each and every facet of claimed invention is disclosed in applied reference.

2. Patentability/Validity - In general (§ 115.01)

Patentability/Validity - Anticipation - Prior art (§ 115.0703)

Initial burden of establishing prima facie basis to deny patentability rests upon examiner; examiner, if relying upon theory of inherency, must provide basis in fact and/or technical reasoning to reasonably support determination that allegedly inherent characteristic necessarily flows from teachings of applied prior art.

3. Patentability/Validity - Anticipation - Prior art (§ 115.0703)

Examiner erred by rejecting claims for biaxially oriented catheter balloon as anticipated by prior art which does not disclose such biaxially oriented balloon and which has not been shown to be inherently biaxially oriented.

4. Patentability/Validity - Obviousness - Relevant prior art - Particular inventions (§ 115.0903.03)

Examiner erred by rejecting claims for biaxially oriented balloon catheter under 35 USC 103 based upon combined disclosure of two prior art references, one of which was relied upon solely for disclosed use of high viscosity polyethylene terephthalate tubing and the other which was presupposed by examiner to disclose biaxially oriented catheter balloon, since examiner has not established that resulting catheter balloon using high viscosity tubing is biaxially oriented.

Case History and Disposition:

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Application of Stanley B. Levy, serial no. 287,234, filed Dec. 21, 1988, which is a division of serial no. 914,108, filed Oct. 1, 1986, now Re. 32,983, granted July 4, 1989; and a reissue of serial no. 510,812, filed July 5, 1983, now patent no. 4,490,421, granted Dec. 25, 1984, for balloon and manufacture thereof. From examiner's rejection of claims 13 through 17 and 25 (James Seidleck, primary

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examiner), applicant appeals. Reversed.

Attorneys:

Louis H. Rombach, Wilmington, Del., for appellant.

Judge:

Before Steiner, Tarring, and J. Smith, examiners-in-chief.

Opinion Text

Opinion By:

Steiner, examiner-in-chief.

This is an appeal from the final rejection of claims 13 through 17 and 25, which are all of the claims remaining in this application for reissue of U.S. Patent No. 4,490,421.

The subject matter on appeal is directed to a polymeric balloon exhibiting properties which enable its use as a catheter balloon for medical dilation procedures, such as coronary angioplasty wherein a catheter with a balloon at a distal end thereof is inserted into coronary arteries and inflated. The balloon must be capable of exerting sufficient pressure to dilate stenotic lesions without rupture of the balloon.

Claims 13 and 25, the only independent claims on appeal, read as follows:

13. *High molecular weight, biaxially oriented, flexible polymeric balloon having a wall tensile strength of at least 31,714 psi (218.86 MPa).*

25. *High molecular weight, biaxially oriented, flexible polyethylene terephthalate dilatation catheter balloon.*

The references relied upon by the examiner are:

Wyeth et al. (Wyeth)	3,733,309	May 15, 1973
Schjeldahl et al.		
(Schjeldahl '989)	4,413,989	Nov. 8, 1983 1
Schjeldahl et al.		
(Schjeldahl '000)	4,456,000	June 26, 1984 2

Claims 13, 14, 16, 17 and 25 stand rejected under 35 U.S.C. 102 as anticipated by Schjeldahl. Claims 13 through 17 stand rejected under 35 U.S.C. 103 based upon "Schjeldahl et al in view of Wyeth as set forth in the Final Rejection" (paragraph bridging pages 3 and 4 of the Answer). We reverse each rejection.

The Rejection of Claims 13, 14, 16, 17 and 25 Under 35 U.S.C. §102.

[1] The factual determination of anticipation requires the disclosure in a single reference of every element of the claimed invention. *In re Spada*, — F.2d —, 15 USPQ2d 1655 (Fed. Cir. 1990); *In re Bond*, — F.2d —, 15 USPQ2d 1566 (Fed. Cir. 1990); *Diversitech Corp. v. Century Steps, Inc.*, 850 F.2d 675, 7 USPQ2d 1315 (Fed. Cir. 1988); *Constant v. Advanced Micro-Devices, Inc.*, 848 F.2d 1560, 7 USPQ2d 1057 (Fed. Cir. 1988); *Alco Standard Corp. v.*

TVA, 808 F.2d 1490, 1 USPQ2d 1337 (Fed. Cir. 1986); *In re Marshall*, 578 F.2d 301, 198 USPQ 344 (CCPA 1978); *In re Arkley*, 455 F.2d 586, 172 USPQ 524 (CCPA 1972).

Moreover, it is incumbent upon the examiner to identify wherein each and every facet of the claimed invention is disclosed in the applied reference. *Lindemann Maschinenfabrik GmbH v. American Hoist and Derrick*, 730 F.2d 1452, 221 USPQ 481 (Fed. Cir. 1984).

Each of the independent claims on appeal defines a polymeric balloon which is "biaxially oriented." Ergo, in order to establish a *prima facie* basis to defeat the patentability of independent claims 13 and 25 under 35 U.S.C. §102, the examiner is obliged to point out where Schjeldahl discloses a *biaxially oriented* polymeric balloon. The tenor of the final rejection and Answer presupposes that Schjeldahl discloses a biaxially oriented polymeric balloon. See, for example, page 5 of the Final Rejection wherein the examiner states

the reference clearly teaches a biaxially oriented balloon catheter, and states that it is made by injection blow molding.

See, also, page 5 of the Answer wherein the examiner states

arguments that the references don't disclose a biaxially oriented PET (polyethylene terephthalate) balloon catheter is contrary to what is *clearly stated* in the references (emphasis supplied).

The examiner does not point to, and we do not find, any express disclosure in Schjeldahl of a biaxially oriented polymeric balloon.

It would appear that the relevant evolutions in Schjeldahl which may have led the examiner to his determination are:

(a) an expander 3 formed *from* a thin, flexible inelastic, high tensile strength, *biaxially oriented* synthetic plastic material

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(column 2 of Schjeldahl '989, lines 63 through 65, emphasis supplied);

(b) The expander 30 is preferably formed *from* a suitable synthetic plastic material, such as *biaxially oriented* polypropylene, *by an injection blow molding operation* and, as such, is substantially inelastic in both the axial and radial directions and may, for example, have a finished wall thickness in the range of from 0.005 to 0.200 millimeters, 0.025 millimeters being typical (column 6 of Schjeldahl '989, lines 45 through 52, emphasis supplied);

(c) It has been found that an expander of the above-dimensional characteristics can withstand internal inflation pressure in excess of 7 atmospheres without fear of rupture (column 6 of Schjeldahl '989, lines 62 through 65);

(d) injection blow molding step used to form the expander 30 (column 8, lines 16 and 17);

(e) the expander 30 is formed *from a biaxially oriented* thin plastic material capable of withstanding relatively high internal pressures without rupture and without exceeding the elastic limit for the material itself (column 10 of Schjeldahl '989, lines 32 through 36, emphasis supplied);

(f) the expander 82 is preferably formed *from a suitable synthetic plastic material such as biaxially oriented polypropylene or biaxially oriented polyethylene terephthalate by an injection molding operation* and, as such, is substantially inelastic in both the axial and radial direction (column 12 of Schjeldahl '989, lines 22 through 37, emphasis supplied); and

(g) Apparatus as in claim 1 wherein said non-elastic expander member comprises a longitudinally extending thin, flexible, tubular element *formed from a biaxially oriented* synthetic plastic material surrounding said outer tubular member with opposed ends thereof secured to said outer tubular member at spaced apart locations proximate said distal end thereof (claim 8 of Schjeldahl '989, emphasis supplied).

These excerpts do not justify the determination that Schjeldahl discloses a biaxially oriented polymeric balloon.

According to Schjeldahl, the *starting* material is a biaxially oriented synthetic plastic material, such as polyethylene terephthalate. The *final article, i.e., the expander or catheter balloon*, is *not characterized as biaxially oriented*. Moreover, it would appear to be *undisputed* that the *only* method disclosed by Schjeldahl for transforming the biaxially oriented *starting* plastic into the *final* catheter balloon, *i.e., injection blow molding*, is *not* capable of producing a biaxially oriented catheter balloon. In fact, it is *undisputed* that injection blow molding would *destroy* the biaxial orientation of the plastic starting material. We refer to the Belcher affidavits, Exhibits V, VI and VIII, 4 which factually set forth the differences between "injection blow molding" and "injection stretch blow molding," and support the conclusion that the "injection blow molding" process disclosed by Schjeldahl could not possibly produce a biaxially oriented polymeric balloon. 5

Indeed, the examiner agrees with appellant's position that injection blow molding could *not* produce a biaxially oriented balloon. See, for example, page 5 of the Final Rejection wherein the examiner states:

statements that injection blow molding without stretching will not produce a biaxially oriented article are *true ...* (emphasis supplied).

The examiner goes on, in the same sentence, to state:

but since the reference produces a biaxially oriented article, clearly a stretching step must be used.

Again, on page 5 of the Answer, the examiner states:

Since Schjeldahl et al produces a biaxially oriented article it follows that a stretching step

must be used in the injection blow molding process.

The inescapable facts are that Schjeldahl does not disclose a biaxially oriented catheter balloon and does not mention a stretching step.

[2] The examiner also relies upon the theory that Schjeldahl's catheter balloon is inherently biaxially oriented. On page 4 of the Answer, the examiner points out that inasmuch as the Patent and Trademark Office does not have the requisite laboratory equipment for testing, the burden shifts to appellant. However, the initial burden of establishing a *prima facie* basis to deny patentability to a claimed invention rests

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upon the examiner. *In re Piasecki*, 745 F.2d 1468, 223 USPQ 785 (Fed. Cir. 1984). In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art. *In re King*, 801 F.2d 1324, 231 USPQ 136 (Fed. Cir. 1986); *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983); *In re Oelrich*, 666 F.2d 578, 212 USPQ 323 (CCPA 1981); *In re Wilding*, 535 F.2d 631, 190 USPQ 59 (CCPA 1976); *Hansgirk v. Kemmer*, 102 F.2d 212, 40 USPQ 665 (CCPA 1939). In our opinion, the examiner has not discharged that initial burden.

Schjeldahl does not provide any working example revealing the process conditions employed to produce the catheter balloon. We have *only* a general invitation to employ "injection blow molding." As previously discussed, it is undisputed that injection blow molding would *not* have produced a biaxially oriented balloon and would have destroyed the biaxially orientation of a polymeric starting material.

Schjeldahl does not disclose any particular tensile strength of the catheter balloon. We do not find sufficient factual basis or cogent scientific reasoning to support the conclusion that Schjeldahl's disclosure with respect to the ability of the catheter balloon to "withstand an internal inflation pressure in excess of 7 atmospheres without fear of rupture" (column 6 of Schjeldahl '989, lines 63 through 65) necessarily means that the catheter balloon is biaxially oriented. According to the membrane equation calculations reported in Levy's declaration (Exhibit IV), Schjeldahl's balloon could not possibly exhibit the tensile characteristics of a biaxially oriented balloon. Levy's calculations are *inconsistent* with those of Pinchuk (Exhibit III). Suffice it to say, the conflicting calculations taint the factual determination of inherency with impermissible conjecture. Indeed, the examiner, in the paragraph bridging pages 4 and 5 of the Answer, states that

the membrane equation used to determine the tensil [sic, tensile] strength can be manipulated to produce any desired value, and thus is misleading.

Nevertheless, the examiner goes on to favor Pinchuk's calculations by stating in that same

paragraph that

certainly use of the typically used wall thickness disclosed in Schjeldahl et al with the average radius, as done in the Pinchuk Declaration would be reasonable.

As noted above, the conflicting results obtained by applying the membrane equation, and the examiner's acknowledgment that that equation "can be manipulated to produce any desired value," underscore the speculative nature upon which the determination of inherency rests.

We do not find sufficient cogent technical reasoning and/or objective evidence to support the conclusion that Schjeldahl's characterization of the catheter balloon as inelastic in the axial and radial direction *necessarily* means that the catheter balloon is biaxially oriented. The characteristic "inelastic," as employed by Schjeldahl, apparently means that the catheter balloon will expand to a preformed diameter to enable precise measurement of the pressures exerted on the inner wall of the artery during the dilation procedure (column 4 of Schjeldahl '989, lines 12 through 17).

[3] In summary, Schjeldahl does not disclose a biaxially oriented catheter balloon. We do not find a sufficient basis to support the determination that Schjeldahl's balloon is *inherently* (necessarily) biaxially oriented. *In re King, supra; W.L. Gore & Associates, Inc. v. Garlock, Inc., supra; In re Oelrich, supra; In re Wilding, supra; Hansgirk v. Kemmer, supra.* Accordingly, the examiner's rejection of claims 13, 14, 16, 17 and 25, under 35 U.S.C. §102 as anticipated by Schjeldahl is reversed. 6

The Rejection of Claims 13 through 17 under 35 U.S.C. §103 Based upon the Combined Disclosures of Schjeldahl and Wyeth.

Wyeth is directed to producing high strength biaxially oriented polyethylene terephthalate beverage containers. The disclosed method involves stretching polyethylene terephthalate having a relatively high inherent viscosity; *e.g.*, at least about 0.85.

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It is apparent from the Final Rejection and Answer that the examiner's rejection of the appealed claims under 35 U.S.C. 103 is *not* predicated upon the theory that one having ordinary skill in the art would have been led to employ Wyeth's technique to produce a biaxially oriented balloon for use in Schjeldahl's catheter. Instead, the examiner presupposes that Schjeldahl discloses a biaxially oriented catheter balloon. The examiner relies upon Wyeth *solely* for the disclosed use of high viscosity polyethylene terephthalate tubing. We refer to page 6 of the Answer, first complete paragraph, wherein the examiner explains the rejection by stating:

Wyeth et al is not being combined with Schjeldahl et al, but merely shows the claimed high viscosity PET (polyethylene terephthalate) and supports the examiners [sic, examiner's] inherency arguments. 7 ... The examiner is not substituting the process of Wyeth et al into

Schjeldahl et al since both disclose the same process. 8 Arguments that Wyeth et al can't be scaled down are irrelevant since the examiner is not seeking to scale down that reference to produce the claimed article.

[4] We have already concluded that the examiner factually erred in determining that Schjeldahl expressly or inherently discloses a biaxially oriented catheter balloon. Assuming, *arguendo*, the examiner correctly concluded that one having ordinary skill in the art would have been led to employ a high viscosity polyethylene terephthalate tubing in producing Schjeldahl's catheter balloon, the rejection under 35 U.S.C. §103 must fall because the examiner has not established that the resulting catheter balloon is biaxially oriented. *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988).

Inasmuch as the examiner's rejection under 35 U.S.C. §103 is not predicated upon the theory that one having ordinary skill in the art would have been led to employ a conventional stretch blow molding technique, such as that disclosed by Wyeth, to produce Schjeldahl's catheter balloon, the motivation for such a combination is an issue which was not crystallized on appeal and was not confronted by appellant. However, in view of the examiner's gratuitous statement in the paragraph bridging pages 5 and 6 of the Answer, 9 we are constrained to address that issue.

There appears to be no dispute that one having ordinary skill in the art would have recognized the desirability of producing a biaxially oriented balloon for use in Schjeldahl's catheter, since biaxially oriented materials were known to exhibit high tensile strengths. The thrust of the evidence relied upon by the examiner is that one having ordinary skill in the art would have simply resorted to a conventional stretch molding technique to produce a biaxially oriented balloon for use in Schjeldahl's catheter, specifically, *the technique employed by Wyeth to produce a beverage container*. See paragraph 4 of the Rydell affidavit executed April 25, 1988 and offered in support of the protest in parent application Serial No. 914,108, paragraph 5 of the Pinchuk affidavit (Exhibit III), and paragraphs 4 and 5 of the Kaufman affidavit (Exhibit XII). Interestingly enough, *Wyeth disagrees*. See page 5 of Wyeth's declaration (Exhibit XI). Wyeth points out various differences between the PET bottles produced by his disclosed process and the requirements of a catheter balloon, and then concludes that his process could *not* be used to produce a catheter balloon of the type disclosed by Levy.

We are persuaded by Belcher's affidavits and Wyeth's declaration, notwithstanding the affidavits of Rydell, Pinchuk and Kaufman, 10 that the known processes for producing

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biaxially oriented beverage containers, such as that disclosed by Wyeth, could not have been simply scaled down to produce a biaxially oriented catheter balloon for use in medical dilation procedures without the exercise of inventive skill. 11 Based upon the record before us, it would appear unrealistic to conclude that one having ordinary skill in the art would have been led to employ Wyeth's technique, which is designed to produce beverage containers, to produce Schjeldahl's catheter balloon, motivated by a *reasonable expectation* of obtaining a *biaxially*

oriented polymeric catheter balloon. *In re O'Farrell*, 853 F.2d 894, 7 USPQ2d 1673 (Fed. Cir. 1988). The rejection under 35 U.S.C. §103 is also reversed.

REVERSED.

Footnotes

Footnote 1. Each of the Schjeldahl references contains essentially the same relevant disclosure. Accordingly, unless otherwise indicated, we have referred to these references collectively as "Schjeldahl," consistent with the approach adopted by both appellant and the examiner.

Footnote 2. See footnote 1.

Footnote 3. Schjeldahl characterizes the catheter balloon as an expander.

Footnote 4. Unless otherwise indicated, all exhibits mentioned are the exhibits to appellant's Brief.

Footnote 5. We recognize that a high burden of proof is required to demonstrate the inoperability of a United States patent. *In re Weber*, 405 F.2d 1403, 160 USPQ 549 (CCPA 1969); *In re Michalek*, 162 F.2d 229, 74 USPQ 107 (CCPA 1947). However, as noted above, Schjeldahl does not disclose a catheter balloon made of a biaxially oriented plastic. Therefore, appellant's evidence is not an attack on the operability of Schjeldahl, but quite relevant to the issue of inherency, *i.e.*, whether the catheter balloon disclosed by Schjedahl is inherently biaxially oriented.

Footnote 6. There is evidence of record that Dupont, the assignee of the application, furnished biaxially oriented polyethylene terephthalate to Schjeldahl when he informed Dupont personnel that he required a thin, high strength polymeric film having a tensile strength in the range of 20,000-40,000 psi. See the Schjeldahl affidavit (Exhibit VIII) and the Dengler declaration executed on May 21, 1988 and appended to the protest submitted in parent application Serial No. 914,108. Such facts are not inconsistent with our determination that Schjeldahl does not disclose a biaxially oriented polyethylene terephthalate catheter balloon. The Rydell affidavit appended to the protest in the parent application does not persuade us that Schjeldahl expressly or inherently discloses a biaxially oriented polymeric catheter balloon. See Belcher's affidavit (Exhibit VI).

Footnote 7. Actually, according to the Final Rejection which is incorporated in the Answer,

It is the Examiner's position that it would be *prima facie* obvious to use the high viscosity polyethylene terephthalate of Wyeth in Schjeldahl et al to produce the claimed product (page 4, the only complete paragraph).

Footnote 8. It is apparent from our reversal of the examiner's rejection under 35 U.S.C. §102 that, in our opinion, Schjeldahl discloses neither a biaxially oriented catheter balloon nor a molding process which involves stretching.

Footnote 9. The noted statement provides:

Certainly in the least there was an *invitation* to make a biaxially oriented catheter balloon at the time of the Schjeldahl et al invention. Additionally injection stretch blow molding to produce biaxially oriented articles was well known at the time of the Schjeldahl et al invention (emphasis supplied).

Footnote 10. We agree with appellant that the credentials of Belcher and Wyeth in the relevant art appear more impressive than those of protestor's experts. According to the affidavit appearing as Appendix V, Belcher authored the chapter called "Blow Molding of Polymers" for the fifth edition of the Plastic Engineering Handbook of the Society of Plastics Industry. In addition, Belcher authored two chapters, one on "injection blow molding" and one on "stretch blow molding" for the Blow Molding Handbook of the Society of Plastics and Engineers. We consider Wyeth's opinion with respect to the capabilities of his own invention entitled to greater weight than the opinions of Rydell, Pinchuk and Kaufman.

Footnote 11. We find it somewhat unrealistic in light of the apparent disparities in size and function, Belcher's affidavits and Wyeth's declaration, that Pinchuk and Kaufman equate beverage bottles to catheter balloons. See paragraph 10 of the Pinchuk affidavit (Exhibit III), wherein it is stated

as a blow molded polymeric article, a bottle and a catheter balloon are equivalent.

See, also, paragraph 4 of the Kaufman affidavit (Exhibit XII), wherein it is stated that

anyone with ordinary skill in the plastics art would know how to make a biaxially oriented PET balloon; it would be similar to making a biaxially oriented PET bottle because both catheter balloons and bottles are equivalent structures - they are both fluid containers.

- End of Case -

FULL TEXT OF CASES (USPQ2D)

All Other Cases

In re Lee, 61 USPQ2d 1430 (CA FC 2002)

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In re Lee

U.S. Court of Appeals Federal Circuit

No. 00-1158

Decided January 18, 2002

Headnotes

PATENTS

[1] Practice and procedure in Patent and Trademark Office — Board of Patent Appeals and Interferences — In general (§110.1101)

Patentability/Validity — Obviousness — Combining references (§115.0905)

Patentability/Validity — Obviousness — Evidence of (§115.0906)

Rejection of patent application for obviousness under 35 U.S.C. §103 must be based on evidence comprehended by language of that section, and search for and analysis of prior art includes evidence relevant to finding of whether there is teaching, motivation, or suggestion to select and combine references relied on as evidence of obviousness; factual inquiry whether to combine references must be thorough and searching, based on objective evidence of record, and Board of Patent Appeals and Interferences must explain reasons why one of ordinary skill in art would have been motivated to select references and to combine them to render claimed invention obvious.

[2] Patentability/Validity — Obviousness — Combining references (§115.0905)

JUDICIAL PRACTICE AND PROCEDURE

Procedure — Judicial review — Standard of review — Patents (§410.4607.09)

Board of Patent Appeals and Interferences improperly relied upon “common knowledge and common sense” of person of ordinary skill in art to find invention of patent application obvious over combination of two prior art references, since factual question of motivation to select and combine references is material to patentability, and could not be resolved on subjective belief and unknown authority, since deferential review of agency decisions under Administrative Procedure Act reinforces obligation of board to develop evidentiary basis for its findings, since board's rejection of need for any specific hint or suggestion in particular reference to support combination constituted omission of relevant factor required by precedent, and thus was both legal error and arbitrary agency action, since board's findings must extend to all material facts and be documented on record, and since “common knowledge and common sense” are not specialized knowledge and expertise of agency contemplated by APA, and may not be substituted for evidence, although they may be applied to analysis of evidence.

PATENTS

[3] Practice and procedure in Patent and Trademark Office — Board of Patent Appeals and Interferences — In general (§110.1101)

Patentability/Validity — Obviousness — Evidence of (§115.0906)

JUDICIAL PRACTICE AND PROCEDURE

Procedure — Judicial review — Standard of review — Patents (§410.4607.09)

Patent examiners and Board of Patent Appeals and Interferences, in relying on what they assert to be general knowledge to negate patentability on ground of obviousness, must articulate that knowledge and place it on record, since examiners and board are presumed

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to act from viewpoint of person of ordinary skill in art in finding relevant facts, assessing significance of prior art, and making ultimate determination of obviousness issue; failure to do so is not consistent with either effective administrative procedure or effective judicial review, and board cannot rely on conclusory statements when dealing with particular combinations of prior art and specific claims, but must set forth rationale on which it relies.

[4] Procedure — Court of Appeals for the Federal Circuit (§410.03)

Procedure — Judicial review — Standard of review — Patents (§410.4607.09)

U.S. Court of Appeals for the Federal Circuit will not consider proposed alternative grounds for affirming decision of Board of Patent Appeals and Interferences rejecting

patent application for obviousness, since alternative grounds were made at oral argument and constitute post hoc rationalization for agency action, consideration of which would deprive aggrieved party of fair opportunity to support its position.

Case History and Disposition

Appeal from the U.S. Patent and Trademark Office, Board of Patent Appeals and Interferences.

Patent application of Sang-Su Lee, serial no. 07/631,210, directed to method of automatically displaying functions of video display device and demonstrating how to select and adjust functions to facilitate user response. Applicant appeals from decision upholding rejection of all claims for obviousness, and from reaffirmation of that decision on reconsideration. Reversed and remanded.

Attorneys:

Richard H. Stern and Robert E. Bushnell, Washington, D.C., for Sang Su Lee.

Sidney O. Johnson Jr., associate solicitor, John M. Whealan, solicitor, and Raymond T. Chen, Maximilian R. Peterson, and Mark Nagumo, associate solicitors, Arlington, Va., for Director of U.S. Patent and Trademark Office.

Judge:

Before Newman, Clevenger, and Dyk, circuit judges.

Opinion Text

Opinion By:

Newman, J.

Sang-Su Lee appeals the decision of the Board of Patent Appeals and Interferences of the United States Patent and Trademark Office, rejecting all of the claims of Lee's patent application Serial No. 07/631,210 entitled "Self-Diagnosis and Sequential-Display Method of Every Function." 1 We vacate the Board's decision for failure to meet the adjudicative standards for review under the Administrative Procedure Act, and remand for further proceedings.

The Prosecution Record

Mr. Lee's patent application is directed to a method of automatically displaying the functions of a video display device and demonstrating how to select and adjust the functions in order to facilitate response by the user. The display and demonstration are achieved using computer-managed electronics, including pulse-width modulation and auto-fine-tuning pulses, in accordance with procedures described in the specification. Claim 10 is representative:

10. A method for automatically displaying functions of a video display device, comprising:
 - determining if a demonstration mode is selected;
 - if said demonstration mode is selected, automatically entering a picture adjustment mode having a picture menu screen displaying a list of a plurality of picture functions; and
 - automatically demonstrating selection and adjustment of individual ones of said plurality of picture functions. The examiner rejected the claims on the ground of obviousness, citing

the combination of two references: United States Patent No. 4,626,892 to Nortrup, and the Thunderchopper Helicopter Operations Handbook for a video game. The Nortrup reference describes a television set having a menu display by which the user can adjust various picture and audio functions; however, the Nortrup display does not include a demonstration of how to adjust the functions. The Thunderchopper Handbook describes the Thunderchopper game's video display as having a "demonstration mode" showing how to play the game; however, the Thunderchopper Handbook makes no mention of the adjustment of picture or audio functions. The examiner held that it

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would have been obvious to a person of ordinary skill to combine the teachings of these references to produce the Lee system.

Lee appealed to the Board, arguing that the Thunderchopper Handbook simply explained how to play the Thunderchopper game, and that the prior art provided no teaching or motivation or suggestion to combine this reference with Nortrup, or that such combination would produce the Lee invention. The Board held that it was not necessary to present a source of a teaching, suggestion, or motivation to combine these references or their teachings. The Board stated:

The conclusion of obviousness may be made from common knowledge and common sense of a person of ordinary skill in the art without any specific hint or suggestion in a particular reference. Board op. at 7. The Board did not explain the "common knowledge and common sense" on which it relied for its conclusion that "the combined teachings of Nortrup and Thunderchopper would have suggested the claimed invention to those of ordinary skill in the art."

Lee filed a request for reconsideration, to which the Board responded after five years. The Board reaffirmed its decision, stating that the Thunderchopper Handbook was "analogous art" because it was "from the same field of endeavor" as the Lee invention, and that the field of video games was "reasonably pertinent" to the problem of adjusting display functions because the Thunderchopper Handbook showed video demonstrations of the "features" of the game. On the matter of motivation to combine the Nortrup and Thunderchopper references, the Board stated that "we maintain the position that we stated in our prior decision" and that the Examiner's Answer provided "a well reasoned discussion of why there is sufficient motivation to combine the references." The Board did not state the examiner's reasoning, and review of the Examiner's Answer reveals that the examiner merely stated that both the Nortrup function menu and the Thunderchopper demonstration mode are program features and that the Thunderchopper mode "is user-friendly" and it functions as a tutorial, and that it would have been obvious to combine them.

Lee had pressed the examiner during prosecution for some teaching, suggestion, or motivation in the prior art to select and combine the references that were relied on to show obviousness. The Examiner's Answer before the Board, plus a Supplemental Answer, stated that the combination of Thunderchopper with Nortrup "would have been obvious to one of ordinary skill in the art since the demonstration mode is just a programmable feature which can be used in many different device[s] for providing automatic introduction by adding the proper programming software," and that "another motivation would be that the automatic demonstration mode is user friendly and it functions as a tutorial." The Board adopted the examiner's answer, stating "the examiner has provided a well reasoned discussion of these references and how the combination of these references meets the claim limitations." However, perhaps recognizing that the examiner had provided insufficient justification to support

combining the Nortrup and Thunderchopper references, the Board held, as stated *supra*, that a “specific hint or suggestion” of motivation to combine was not required.

This appeal followed.

Judicial Review

Tribunals of the PTO are governed by the Administrative Procedure Act, and their rulings receive the same judicial deference as do tribunals of other administrative agencies. *Dickinson v. Zurko*, 527 U.S. 150, 50 USPQ2d 1930 (1999). Thus on appeal we review a PTO Board's findings and conclusions in accordance with the following criteria:

5 U.S.C. §706(2) The reviewing court shall—

(2) hold unlawful and set aside agency actions, findings, and conclusions found to be—

(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

* * * *

(E) unsupported by substantial evidence in a case subject to sections 556 and 557 of this title or otherwise reviewed on the record of an agency hearing provided by statute;

For judicial review to be meaningfully achieved within these strictures, the agency tribunal must present a full and reasoned explanation of its decision. The agency tribunal

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must set forth its findings and the grounds thereof, as supported by the agency record, and explain its application of the law to the found facts. The Court has often explained:

The Administrative Procedure Act, which governs the proceedings of administrative agencies and related judicial review, establishes a scheme of “reasoned decisionmaking.” Not only must an agency's decreed result be within the scope of its lawful authority, but the process by which it reaches that result must be logical and rational. *Allentown Mack Sales and Service, Inc. v. National Labor Relations Bd.*, 522 U.S. 359, 374 (1998) (citation omitted). This standard requires that the agency not only have reached a sound decision, but have articulated the reasons for that decision. The reviewing court is thus enabled to perform meaningful review within the strictures of the APA, for the court will have a basis on which to determine “whether the decision was based on the relevant factors and whether there has been a clear error of judgment.” *Citizens to Preserve Overton Park v. Volpe*, 401 U.S. 402, 416 (1971). Judicial review of a Board decision denying an application for patent is thus founded on the obligation of the agency to make the necessary findings and to provide an administrative record showing the evidence on which the findings are based, accompanied by the agency's reasoning in reaching its conclusions. See *In re Zurko*, 258 F.3d 1379, 1386, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001) (review is on the administrative record); *In re Gartside*, 203 F.3d 1305, 1314, 53 USPQ2d 1769, 1774 (Fed. Cir. 2000) (Board decision “must be justified within the four corners of the record”).

[1] As applied to the determination of patentability *vel non* when the issue is obviousness, “it is fundamental that rejections under 35 U.S.C. §103 must be based on evidence comprehended by the language of that section.” *In re Grasselli*, 713 F.2d 731, 739, 218 USPQ 769, 775 (Fed. Cir. 1983). The essential factual evidence on the issue of obviousness is set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, 148 USPQ 459, 467 (1966) and extensive ensuing precedent. The patent examination process centers on prior art and the analysis thereof. When patentability turns on the question of obviousness, the search for and analysis of the prior art

includes evidence relevant to the finding of whether there is a teaching, motivation, or suggestion to select and combine the references relied on as evidence of obviousness. *See, e.g., McGinley v. Franklin Sports, Inc.*, 262 F.3d 1339, 1351-52, 60 USPQ2d 1001, 1008(Fed. Cir. 2001) (“the central question is whether there is reason to combine [the] references,” a question of fact drawing on the *Graham* factors).

“The factual inquiry whether to combine references must be thorough and searching.” *Id.* It must be based on objective evidence of record. This precedent has been reinforced in myriad decisions, and cannot be dispensed with. *See, e.g., Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d 1120, 1124-25, 56 USPQ2d 1456, 1459 (Fed. Cir. 2000) (“a showing of a suggestion, teaching, or motivation to combine the prior art references is an ‘essential component of an obviousness holding’”) (quoting *C.R. Bard, Inc., v. M3 Systems, Inc.*, 157 F.3d 1340, 1352, 48 USPQ2d 1225, 1232(Fed. Cir. 1998)); *In re Dembiczak*, 175 F.3d 994, 999, 50 USPQ2d 1614, 1617(Fed. Cir. 1999) (“Our case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references.”); *In re Dance*, 160 F.3d 1339, 1343, 48 USPQ2d 1635, 1637(Fed. Cir. 1998) (there must be some motivation, suggestion, or teaching of the desirability of making the specific combination that was made by the applicant); *In re Fine*, 837 F.2d 1071, 1075, 5 USPQ2d 1596, 1600(Fed. Cir. 1988) (“teachings of references can be combined *only* if there is some suggestion or incentive to do so.”) (emphasis in original) (quoting *ACS Hosp. Sys., Inc. v. Montefiore Hosp.*, 732 F.2d 1572, 1577, 221 USPQ 929, 933(Fed. Cir. 1984)).

The need for specificity pervades this authority. *See, e.g., In re Kotzab*, 217 F.3d 1365, 1371, 55 USPQ2d 1313, 1317(Fed. Cir. 2000) (“particular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed”); *In re Rouffet*, 149 F.3d 1350, 1359, 47 USPQ2d 1453, 1459(Fed. Cir. 1998) (“even when the level of skill in the art is high, the Board must identify specifically the principle, known to one of ordinary skill, that suggests the claimed combination.

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In other words, the Board must explain the reasons one of ordinary skill in the art would have been motivated to select the references and to combine them to render the claimed invention obvious.”); *In re Fritch*, 972 F.2d 1260, 1265, 23 USPQ2d 1780, 1783(Fed. Cir. 1992) (the examiner can satisfy the burden of showing obviousness of the combination “only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references”).

[2] With respect to Lee's application, neither the examiner nor the Board adequately supported the selection and combination of the Nortrup and Thunderchopper references to render obvious that which Lee described. The examiner's conclusory statements that “the demonstration mode is just a programmable feature which can be used in many different device[s] for providing automatic introduction by adding the proper programming software” and that “another motivation would be that the automatic demonstration mode is user friendly and it functions as a tutorial” do not adequately address the issue of motivation to combine. This factual question of motivation is material to patentability, and could not be resolved on subjective belief and unknown authority. It is improper, in determining whether a person of ordinary skill would

have been led to this combination of references, simply to “[use] that which the inventor taught against its teacher.” *W.L. Gore v. Garlock, Inc.*, 721 F.2d 1540, 1553, 220 USPQ 303, 312-13 (Fed. Cir. 1983). Thus the Board must not only assure that the requisite findings are made, based on evidence of record, but must also explain the reasoning by which the findings are deemed to support the agency's conclusion.

Deferential judicial review under the Administrative Procedure Act does not relieve the agency of its obligation to develop an evidentiary basis for its findings. To the contrary, the Administrative Procedure Act reinforces this obligation. *See, e.g., Motor Vehicle Manufacturers Ass'n v. State Farm Mutual Automobile Ins. Co.*, 463 U.S. 29, 43 (1983) (“the agency must examine the relevant data and articulate a satisfactory explanation for its action including a ‘rational connection between the facts found and the choice made.’”) (quoting *Burlington Truck Lines v. United States*, 371 U.S. 156, 168 (1962)); *Securities & Exchange Comm'n v. Chenery Corp.*, 318 U.S. 80, 94 (1943) (“The orderly function of the process of review requires that the grounds upon which the administrative agency acted are clearly disclosed and adequately sustained.”).

In its decision on Lee's patent application, the Board rejected the need for “any specific hint or suggestion in a particular reference” to support the combination of the Nortrup and Thunderchopper references. Omission of a relevant factor required by precedent is both legal error and arbitrary agency action. *See Motor Vehicle Manufacturers*, 463 U.S. at 43 (“an agency rule would be arbitrary and capricious if the agency ... entirely failed to consider an important aspect of the problem”); *Mullins v. Department of Energy*, 50 F.3d 990, 992 (Fed. Cir. 1995) (“It is well established that agencies have a duty to provide reviewing courts with a sufficient explanation for their decisions so that those decisions may be judged against the relevant statutory standards, and that failure to provide such an explanation is grounds for striking down the action.”). As discussed in *National Labor Relations Bd. v. Ashkenazy Property Mgt. Corp.*, 817 F.2d 74, 75 (9th Cir. 1987), an agency is “not free to refuse to follow circuit precedent.”

The foundation of the principle of judicial deference to the rulings of agency tribunals is that the tribunal has specialized knowledge and expertise, such that when reasoned findings are made, a reviewing court may confidently defer to the agency's application of its knowledge in its area of expertise. Reasoned findings are critical to the performance of agency functions and judicial reliance on agency competence. *See Baltimore and Ohio R. R. Co. v. Aberdeen & Rockfish R. R. Co.*, 393 U.S. 87, 91-92 (1968) (absent reasoned findings based on substantial evidence effective review would become lost “in the haze of so-called expertise”). The “common knowledge and common sense” on which the Board relied in rejecting Lee's application are not the specialized knowledge and expertise contemplated by the Administrative Procedure Act. Conclusory statements such as those here provided do not fulfill the agency's obligation. This court explained in *Zurko*, 258 F.3d at 1385, 59 USPQ2d at 1697, that “deficiencies of the cited references cannot be remedied by

the Board's general conclusions about what is ‘basic knowledge’ or ‘common sense.’” The Board's findings must extend to all material facts and must be documented on the record, lest the “haze of so-called expertise” acquire insulation from accountability. “Common knowledge and common sense,” even if assumed to derive from the agency's expertise, do not substitute for authority when the law requires authority. *See Allentown Mack*, 522 U.S. at 376 (“Because reasoned decisionmaking demands it, and because the systemic consequences of any other approach are unacceptable, the Board must be required to apply in fact the clearly understood

legal standards that it enunciates in principle")

The case on which the Board relies for its departure from precedent, *In re Bozek*, 416 F.2d 1385, 163 USPQ 545 (CCPA 1969), indeed mentions "common knowledge and common sense," the CCPA stating that the phrase was used by the Solicitor to support the Board's conclusion of obviousness based on evidence in the prior art. *Bozek* did not hold that common knowledge and common sense are a substitute for evidence, but only that they may be applied to analysis of the evidence. *Bozek* did not hold that objective analysis, proper authority, and reasoned findings can be omitted from Board decisions. Nor does *Bozek*, after thirty-two years of isolation, outweigh the dozens of rulings of the Federal Circuit and the Court of Customs and Patent Appeals that determination of patentability must be based on evidence. This court has remarked, in *Smiths Industries Medical Systems, Inc. v. Vital Signs, Inc.*, 183 F.3d 1347, 1356, 51 USPQ2d 1415, 1421 (Fed. Cir. 1999), that *Bozek's* reference to common knowledge "does not in and of itself make it so" absent evidence of such knowledge.

[3] The determination of patentability on the ground of unobviousness is ultimately one of judgment. In furtherance of the judgmental process, the patent examination procedure serves both to find, and to place on the official record, that which has been considered with respect to patentability. The patent examiner and the Board are deemed to have experience in the field of the invention; however, this experience, insofar as applied to the determination of patentability, must be applied from the viewpoint of "the person having ordinary skill in the art to which said subject matter pertains," the words of section 103. In finding the relevant facts, in assessing the significance of the prior art, and in making the ultimate determination of the issue of obviousness, the examiner and the Board are presumed to act from this viewpoint. Thus when they rely on what they assert to be general knowledge to negate patentability, that knowledge must be articulated and placed on the record. The failure to do so is not consistent with either effective administrative procedure or effective judicial review. The board cannot rely on conclusory statements when dealing with particular combinations of prior art and specific claims, but must set forth the rationale on which it relies.

Alternative Grounds

[4] At oral argument the PTO Solicitor proposed alternative grounds on which this court might affirm the Board's decision. However, as stated in *Burlington Truck Lines, Inc. v. United States*, 371 U.S. 156, 168 (1962), "courts may not accept appellate counsel's *post hoc* rationalization for agency action." Consideration by the appellate tribunal of new agency justifications deprives the aggrieved party of a fair opportunity to support its position; thus review of an administrative decision must be made on the grounds relied on by the agency. "If those grounds are inadequate or improper, the court is powerless to affirm the administrative action by substituting what it considers to be a more adequate or proper basis." *Securities & Exchange Comm'n v. Chenery Corp.*, 332 U.S. 194, 196 (1947). As reiterated in *Federal Election Comm'n v. Akins*, 524 U.S. 11, 25 (1998), "If a reviewing court agrees that the agency misinterpreted the law, it will set aside the agency's action and remand the case — even though the agency (like a new jury after a mistrial) might later, in the exercise of its lawful discretion, reach the same result for a different reason." Thus we decline to consider alternative grounds that might support the Board's decision.

Further Proceedings

Sound administrative procedure requires that the agency apply the law in accordance with

statute and precedent. The agency tribunal must make findings of relevant facts, and present its reasoning in sufficient detail that the court may conduct meaningful review of the agency action. In *Radio-Television News Directors Ass'n v. FCC*, 184 F.3d 872 (D.C.

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Cir. 1999) the court discussed the "fine line between agency reasoning that is 'so crippled as to be unlawful' and action that is potentially lawful but insufficiently or inappropriately explained," quoting from *Checkosky v. Securities & Exch. Comm'n*, 23 F.3d 452, 464 (D.C. Cir. 1994); the court explained that "[i]n the former circumstance, the court's practice is to vacate the agency's order, while in the latter the court frequently remands for further explanation (including discussion of the relevant factors and precedents) while withholding judgment on the lawfulness of the agency's proposed action." *Id.* at 888. In this case the Board's analysis of the Lee invention does not comport with either the legal requirements for determination of obviousness or with the requirements of the Administrative Procedure Act that the agency tribunal set forth the findings and explanations needed for "reasoned decisionmaking." Remand for these purposes is required. See *Overton Park*, 401 U.S. at 420-221 (remanding for further proceedings appropriate to the administrative process).

VACATED AND REMANDED

Footnotes

¹ *Ex parte Lee*, No. 1994-1989 (Bd. Pat. App. & Int. Aug. 30, 1994; on reconsid'n Sept. 29, 1999).

- End of Case -